



Liquids Rich Montney Play – British Columbia, Canada

Euroz Conference, Rottneest

March, 2018

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Print date 13/3/18

ASX Code	CE1
Ordinary Shares	490.5 M
Management Perf. Equity ⁽¹⁾	55.5 M
Market Capitalisation ⁽²⁾	\$32.2 M
Cash & Securities (no debt) ⁽³⁾	\$2.0 M
Enterprise Value (EV)	\$30.3 M
Board & Management own	22%

CALIMA

ENERGY

- (1) Includes performance shares, performance rights (\$0.15) and options (\$0.09 and \$0.12). For details see prospectus dated June 30th 2017
- (2) Based on the closing price on February 28th 2018
- (3) Estimated cash balance at February 28th 2018
- (4) Best estimate prospective resource estimate McDaniel & Associates 3 March 2018 (see slide 7)
- (5) Appendix 1

MONTNEY - A PREMIER NORTH AMERICAN LIQUIDS RICH ENERGY PLAY

MONTNEY – \$5Bn INVESTMENT THIS YEAR WITH AN ACTIVE M&A MARKET

CALIMA –ACQUIRED HIGH QUALITY ACREAGE AT LOW COST

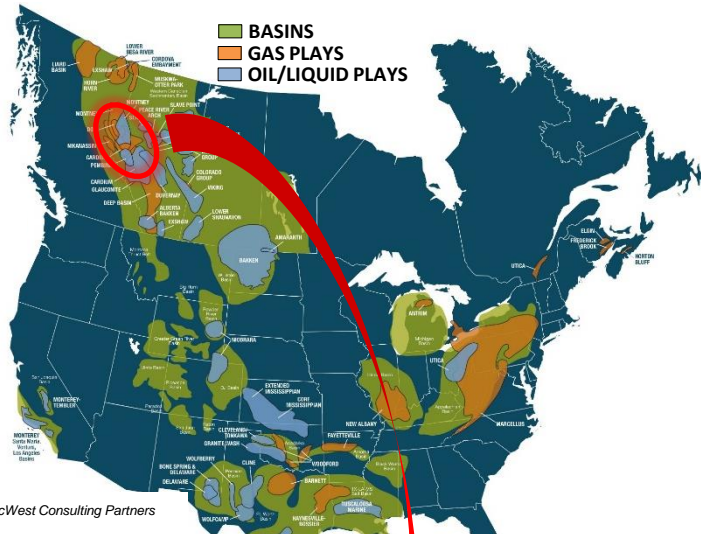
STRATEGY – BUY, DEVELOP, MONETISE

PROSPECTIVE RESOURCE >475 MMBOE ⁽⁴⁾

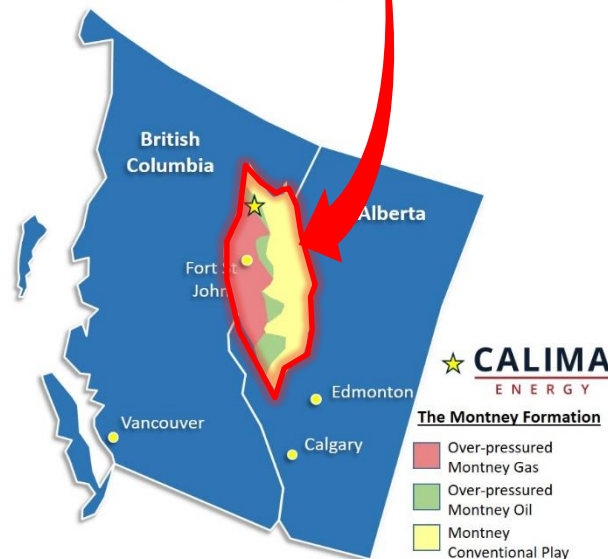
MANAGEMENT – HAS BUILT SUCCESSFUL COMPANIES TOGETHER ⁽⁵⁾

MANAGEMENT - ALIGNED & MOTIVATED >20% OWNERSHIP

THE MONTNEY FORMATION



Source; Modified from PacWest Consulting Partners

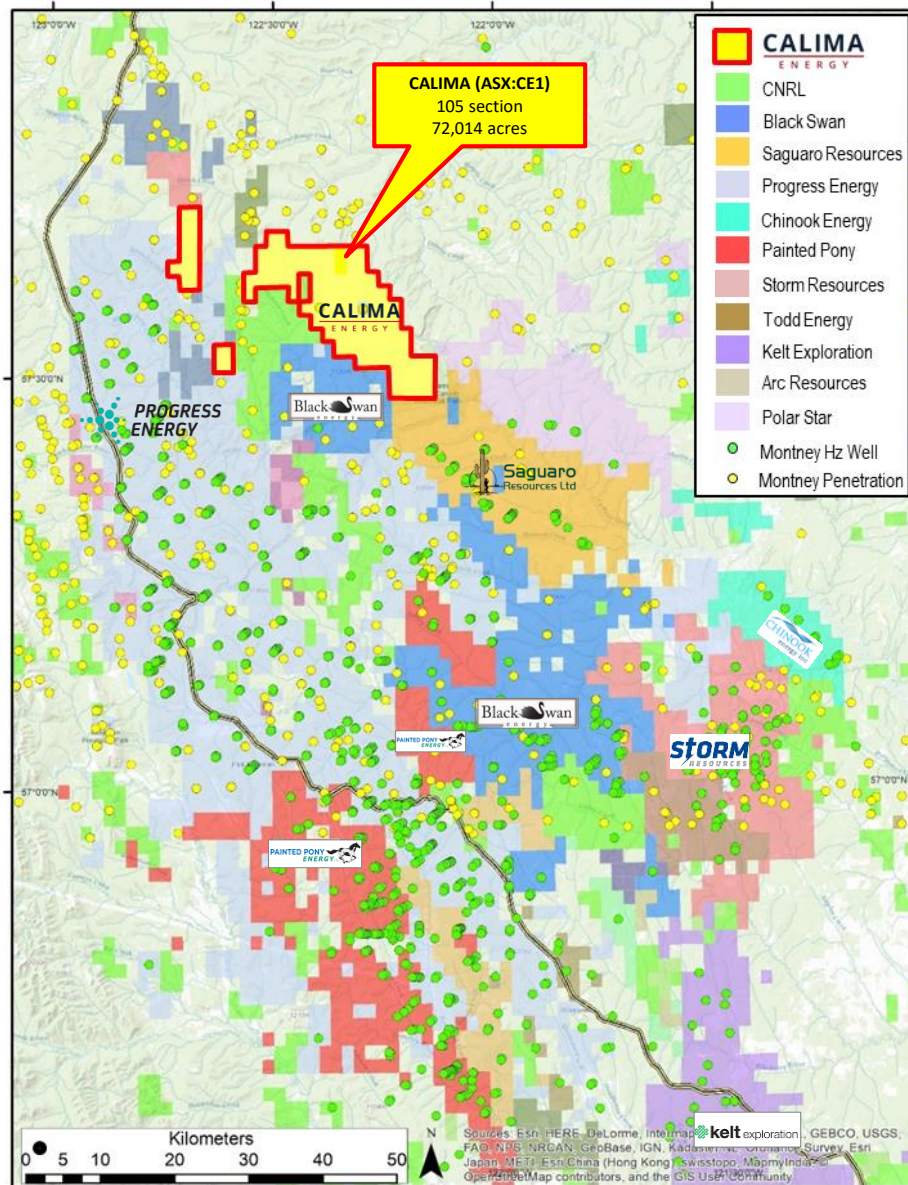


- Covers 130,000 km² of British Columbia and Alberta.
- Estimated remaining 449 Tcf of gas, 14.4 bn bbls of condensate and 1.1 bn bbls of oil⁽¹⁾.
- The most active oil and gas play in Canada with C\$5.2 Bn in investment last year rising to C\$7.5 Bn by 2022⁽²⁾.
- Current production is 6.3 bcfd (including 247,000 bbl/d condensate and other liquids) which is predicted to more than double by 2022⁽²⁾.
- Siltstone - delivers better productivity than shale plays.
- Ideal rock properties for fracture stimulation - results in enhanced productivity.
- Thicker than most other unconventional plays (200-300m) - allows for multi-layer completions from one surface location.
- Breakeven costs in the liquids rich window of the Montney play (US\$1.69/mcfe) are amongst the most competitive in North America, delivering excellent returns at current prices⁽²⁾.

(1) *The Ultimate Potential For Unconventional Petroleum From The Montney Formation Of British Columbia and Alberta, National Energy Board, November 2013*

(2) *Wood Mackenzie Unconventional Service, Montney Key Play Report, April 2017*

MONTNEY – CALIMA LANDS



- The Calima Lands comprise c.72,000 acres of drilling rights (c. 41,000 net to Calima) in Northeast British Columbia.
- Calima earning 55% interest and is the project Operator ⁽¹⁾.
- Independent geological report⁽²⁾ confirms that the Calima Lands should be rich in condensate.
- Condensate in BC usually sells at a premium to WTI currently **C\$75bbl/US\$61bbl**.
- Land position built at low cost ahead of industry activity.
- Saguaro Resources, immediate neighbour to the south, is one of the fastest growing companies in the region.
 - Good analogue for the Calima Lands.
 - Producing >16,000 boepd at end 2017 with 50% of revenue from condensate.
- Calima intends to drill three wells in the winter of 2018/19.
- Strategy - Buy (2014-17), Develop (2018-19) and Monetise (2019-20).
- Montney focussed companies in northeast British Columbia within a 60 km radius of Calima invested more than **C1 Billion** during 2017.

For map location see yellow star on Slide 3

- (1) Appendix 3
- (2) Company prospectus dated June 30 2017

MILESTONES & ACTIVITY – AHEAD OF TARGETS

- Acreage build completed by end 2017.
- Geoscience evaluation completed.
- McDaniel & Associates independent Prospective Resource report completed.
- Recruitment of Canadian management team.
- Agreement with Canada West Land (CWL) to provide project support services.
- Operations planning at an advanced stage.
- Well design optimised to capture dramatic increases in recovery & productivity.
- Potential for early production through pipeline.
- Assessing options to acquire more equity within the JV.
- First phase of farmin to earn 20% completed ahead of schedule
- All necessary government approvals have been granted by BC authorities
 - pad location, water storage, campsite, flaring/testing & road access
- Site construction completed in Feb 2018.
- Completion of project milestones in the Calima Lands allows management team to pursue NVs

CALIMA LANDS SITE VISIT (SEPT 2017)



SITE CONSTRUCTION (FEB 2018)



SURVEY TEAM SCOUTING (NOV 2017)



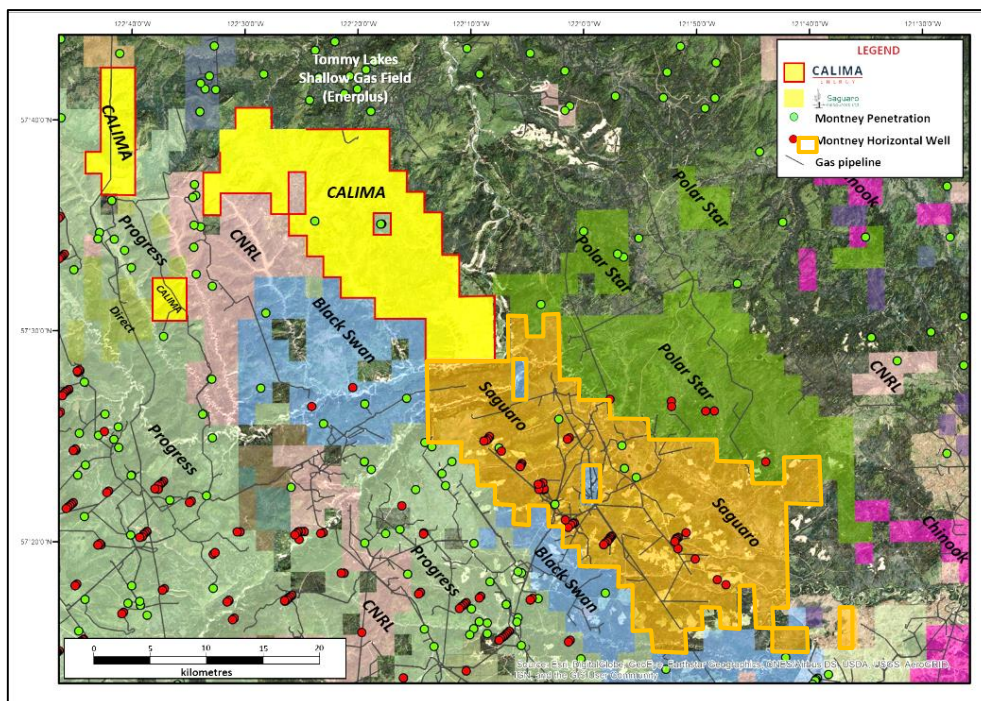
WATER SOURCE OPTIONS & WINTER ACCESS (JAN 2018)



ROAD CLEARING (FEB 2018)



SAGUARO RESOURCES ^(1,2) – OFFSET ACTIVITY & ANALOGUE



- Independent geological audit confirms that Saguaro is a valid analogue for Calima Lands.
- Saguaro Resources has drilling and production rights covering 110,000 acres along geological trend and adjoining the Calima Lands.
- Funded via C\$444mm equity investment supplemented by C\$190mm of debt.
- More than C\$500mm invested in land acquisition, drilling c. 50 wells and infrastructure.
- Year end 2017 production >16,600 Boepd.
- Planning to drill 36 wells in 2018 to exceed 25,000 Boepd.
- Liquids rich yield of 52 bbls/mmcf of which c. 70% is condensate.
- Liquids account for 60% of revenue (50% from condensate).
- Q3 17 netback \$11.83 per Boe.
- Estimated Ultimate Recoveries (EUR) per well trending towards 8 Bcf which delivers a single well IRR of >80%.

Saguaro Resources January, 2018 ⁽¹⁾	Proved Developed Producing (PDP)	Total Proved (1P)	Total Proved Plus Probable (2P)
Total Reserves (Mmboe)	24.50	140.72	400.37
NPV10 (BT \$MM)	\$276	\$1,129	\$2,968
NPV10 (BT \$/Boe)	\$11.27	\$8.02	\$7.41
F&D (Incl FDC) (\$/Boe)	\$10.74	\$5.27	\$3.60
FD&A (Incl FDC) (\$/Boe)	\$10.81	\$5.29	\$3.61
Locations ³	43	169	353

(1) Saguaro Resources, Corporate Presentation, January 2018. www.saguaroresources.com

(2) An Emerging NEBC Montney Player; Introducing Saguaro Resources & Laprise, Cormark Securities Inc., Research Note, July 13, 2017

(3) Montney locations refers to the number of wells used in the reserves estimate

RESOURCE AUDIT – McDANIEL & ASSOCIATES

	JV Gross 100%	Calima Net 55%
Natural Gas (Tcf)	2.16	1.19
Condensate (Mmbbl)	54.20	29.81
Natural Gas Liquids ² (Mmbbl)	60.22	33.12
Total Liquids (Mmbbl)³	114.42	62.93
TOTAL (Mmboe)⁴	475.79	261.68

BEST ESTIMATE UNRISKED PROSPECTIVE RESOURCES ¹

- McDaniel estimates based on 400 locations using 70% of available drainage area.
- Estimated ultimate recovery (EUR) from individual wells; 6.8 Bcf Upper Montney and 5.6 Bcf Lower Montney.
- Saguario EUR's now trending towards 8 Bcf.
- Saguario's independent reserve report has proved plus probable reserves of 400.3 Mmboe based on 356 locations with 7Bcf EUR per well.
- Saguario reports an NPV 10 from these reserves of \$2.9 billion or \$7.25 per Mmboe at current price assumptions (slide 6).
- Calima Lands are of sufficient scale to warrant standalone development.
- Drilling at the end of the year should elevate some of these prospective resources to reserves and contingent resources.

(1) ASX announcement dated March 13th 2018

(2) Natural Gas Liquids (propane and butane) volumes do not include Condensate.

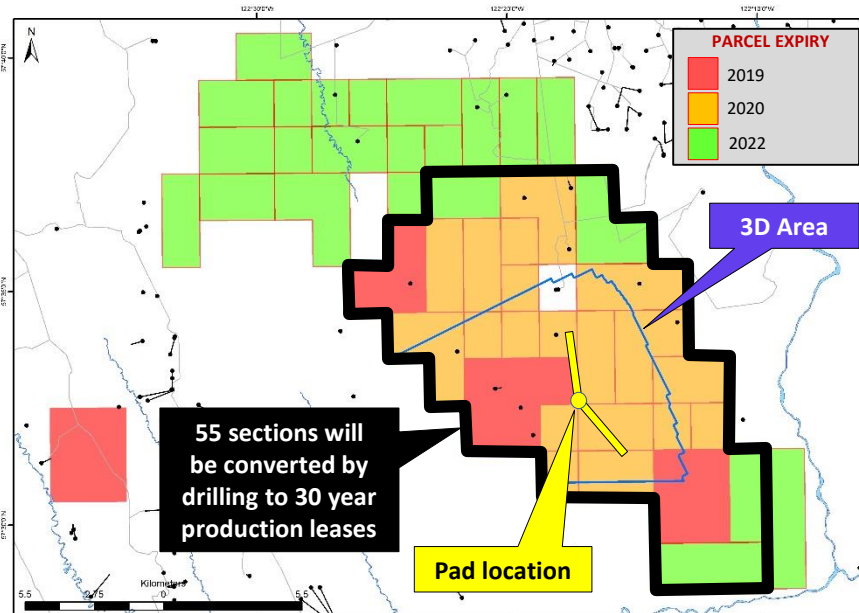
(3) Sum of Condensate and Natural Gas Liquids. Based on public domain data and the results of wells drilled on adjacent land McDaniel estimate that the average condensate to gas ratio for wells in the Calima Lands would be 23 bbl/MMcf (wellhead condensate/gas ratio). Additional liquids would be stripped from the gas upon processing. The adjacent Operator, Saguario, recovers more than 50 bbl/MMcf after processing and obtains more than 50% of its revenue from condensate and other natural gas liquids. (Saguario Resources Ltd. Investor Presentation, January 2018)

(4) Barrels of Oil Equivalent based on 6:1 for Natural Gas, 1:1 for Condensate and C5+, 1:1 for Ethane, 1:1 for Propane, 1:1 for Butanes. BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

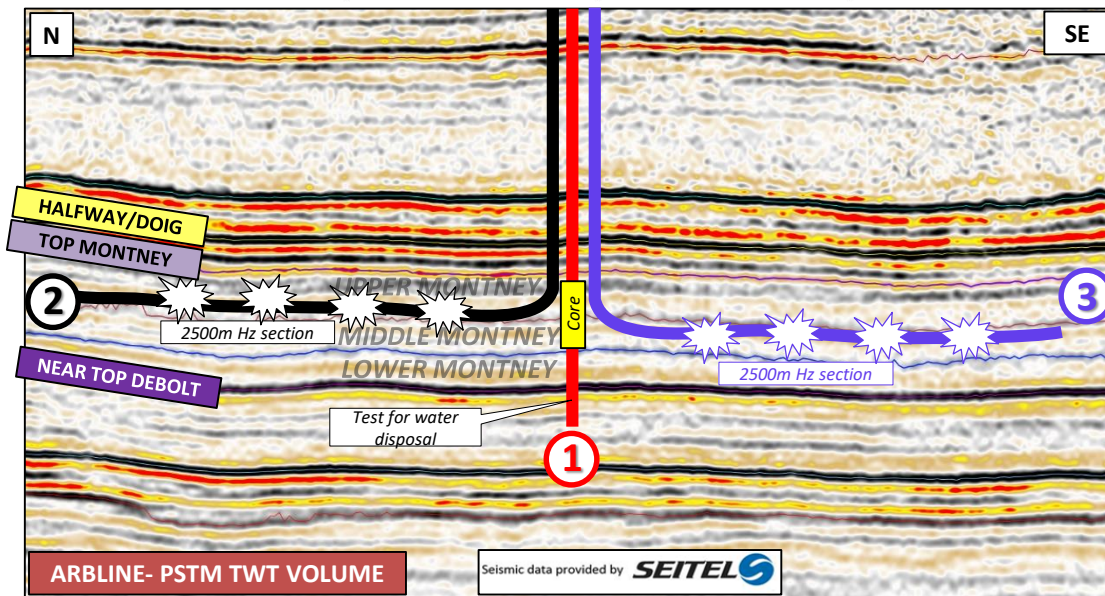
(5) Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discover and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The project maturity sub-class is Prospect which means that the project is regarded as sufficiently well defined to represent a viable drilling target.

(6) Company has the right to acquire up to 55% of the Calima Lands pursuant to a farmin agreement with TSV-Montney Ltd and TMK-Montney Ltd. Details of the farmin agreement were announced in the Company Prospectus dated June 30, 2017.

DRILLING PLANS – 2018/19 CAMPAIGN



- Well location optimised for geology and acreage retention.
- Vertical well followed by two 2,500m horizontal wells.
- Each horizontal well would test different productive zones.
- At least three productive Montney zones available.
- Pipeline options being considered.
- Pipeline would generate revenue and add value from extended production profile.
- Pipeline payback 6-9 months.
- Flexible budget - firm and contingent.

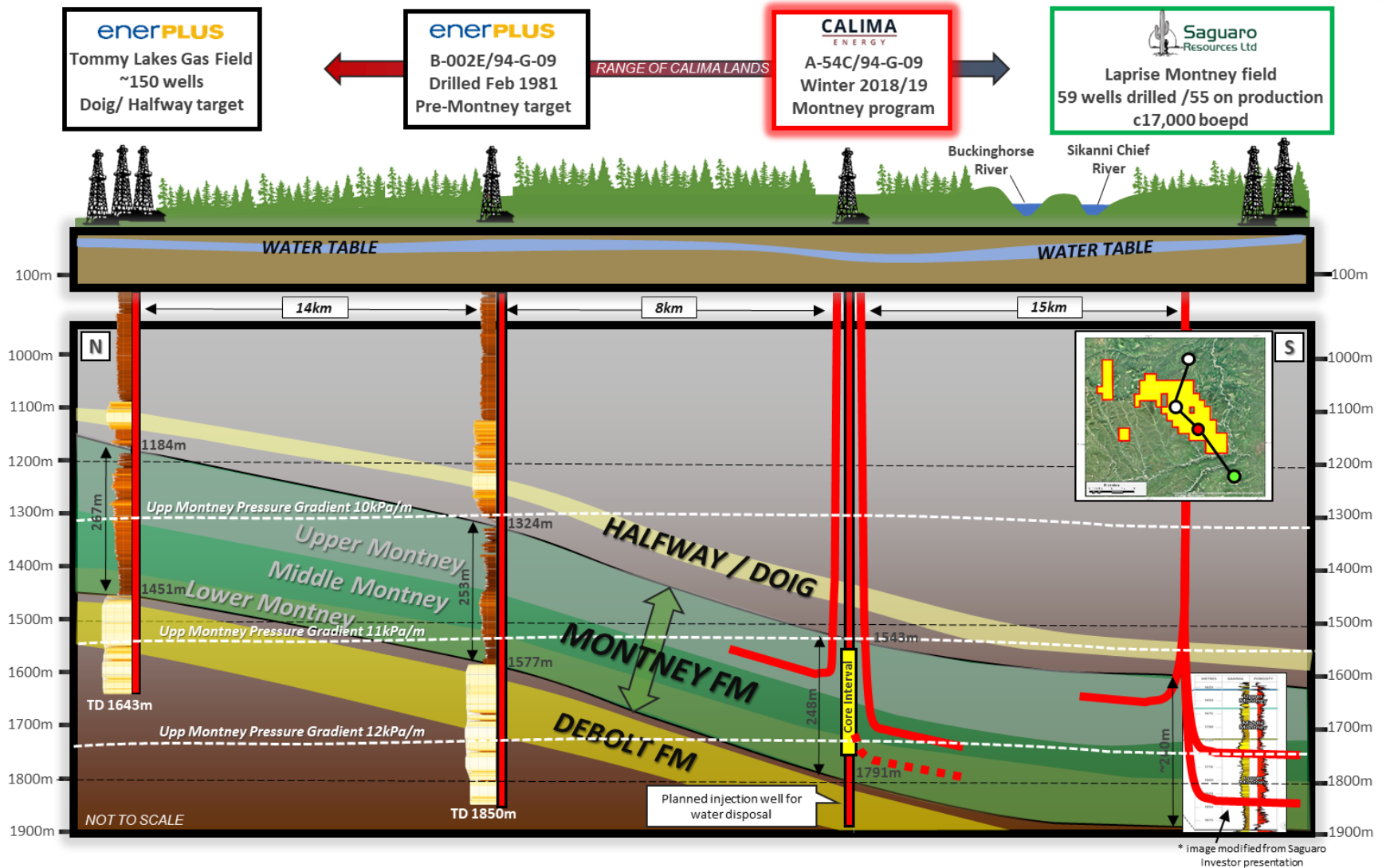


Seismic data provided by **SEITEL**

Seismic image not for distribution

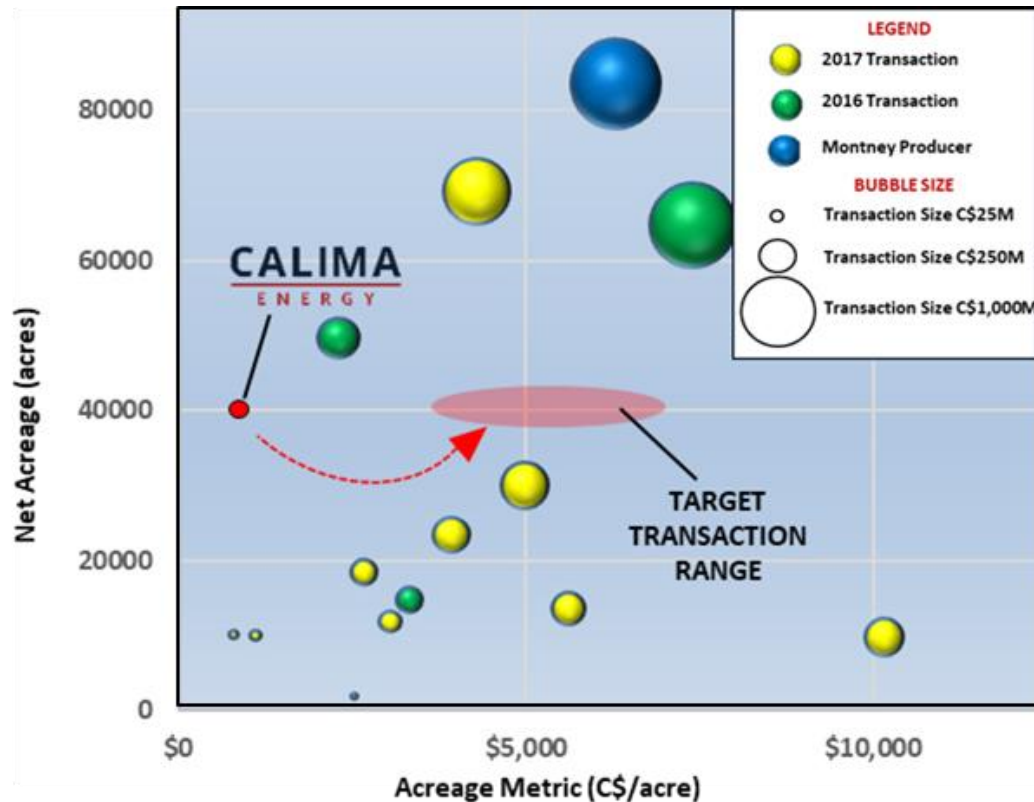
Work Programme	Firm C\$ million	Contingent C\$ million
Well Planning	1.0	0.5
Infrastructure	2.0	
Well 1 + 2	9.2	
Well 3		7.2
Pipeline + Facility		10.0
SUB TOTAL	12.2	17.7

GEO-SCHEMATIC



- The Calima Lands lie immediately to the north of the land being successfully developed by Saguaro Resources.
- Production from the Tommy Lakes field to the north is conventional production from the Doig

DEVELOPED MONTNEY LAND VALUATIONS



- Calima will invest C\$25 m or c. C\$625 per acre to earn a 55% interest in the Calima Lands.
- Recent Montney transaction metrics for developed land imply a weighted average land value of C\$3,700/acre⁽¹⁾.
- Saguaro's recent performance puts it in the upper tier of all Montney producers and plays in the basin ⁽²⁾.
- According to McDaniel & Associates the Calima Lands compare favourably to the land being developed by Saguaro.
- Total Montney investment in 2017 was more than \$5Bn
- There is an active A&D market with the industry willing to pay a premium for liquids rich sweet spots
- Calima's objective is to move to the right towards the upper end of the transaction range implied by average market metrics.

The Montney transaction valuations in green and yellow are derived from various sources of published transaction data.

To determine the implied acreage value of the producers in blue the EV of each company was adjusted for the value of production with the residual applied to the Montney land base to derive the value in terms of C\$/acre. Source – RBC Capital Markets, The Montney – Setting the Pace, October 30, 2017.

(1) *Investor Webinar Presentation, Slides 8-11, Calima Energy, October 24, 2017, www.calimaenergy.com*

(2) *An Emerging NEBC Montney Player; Introducing Saguaro Resources & Laprise, Cormark Securities Inc., Research Note, July 13,*

- Experienced management team aligned with shareholders
- A buy, develop and monetise strategy in one of the most attractive resource plays in North America
- Low technical risk with excellent upside



- Un-risked prospective resource - 261 Mmboe net to Calima.
- In a stable jurisdiction where deals are done and capital available
- Significant potential for valuation arbitrage

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APPENDIX 1 - CALIMA BOARD & MANAGEMENT

Alan Stein

Managing Director

Dr Stein has more than 25 years' experience in the international oil and gas industry. He was one of the founding partners of the geoscience consultancy IKODA Limited based in London and Perth and was the founding Managing Director of Fusion Oil & Gas plc and Ophir Energy plc.

Dr Stein is currently the Non-Executive Chairman of Hanno Resources Ltd and Sea Captaur Limited and is a Non-Executive Director of Bahari Holding Company Limited.

Glenn Whiddon

Chairman

Mr Whiddon has an extensive background in equity capital markets, banking and corporate advisory, with a specific focus on natural resources. Glenn holds a degree in Economics and has extensive corporate and management experience. He is currently Director of a number of Australian and international public listed companies in the resources sector.

Mr Whiddon was formerly Executive Chairman, Chief Executive Officer and President of Grove Energy Limited, a European and Mediterranean oil and gas exploration and development company, with operations in Italy, Romania, Slovenia, Tunisia and the UK and Dutch North Seas.

Mr Whiddon is currently a director of Auroch Minerals Limited, Statesman Resources Limited and Fraser Range Metals Group Limited.

Jonathan Taylor

Technical Director

Mr Taylor has more than 25 years' experience in the international oil and gas industry. He started his career with Amerada Hess in the UK before moving to Clyde Petroleum plc. He relocated to Perth in 1998 to take up the role of Technical Director at Fusion Oil & Gas plc. Following the sale of Fusion, Mr Taylor, together with Dr Alan Stein, was one of the two founding executive directors of Ophir Energy plc serving initially as its Technical Director.

Mr Taylor is currently a non-executive director of Octant Petroleum, Helium One Limited and Citra Partners Ltd.

Neil Hackett

Non-Executive Director

Member of the Audit & Risk Committee & Remuneration Committee

Mr Hackett holds a Bachelor of Economics from the University of Western Australia, Post-graduate qualifications in Applied Finance and Investment, and is a Graduate (Order of Merit) with the Australian Institute of Company Directors.

Mr Hackett is currently Non-executive Chairman of Australian Securities Exchange listed entity Ardiden Ltd (ADV), and previous NED of African Chrome Fields Ltd (ACF), Modun Resources Ltd (MOU) and has held various ASX Company Secretary positions including Sundance Resources Ltd, Ampella Mining Ltd, and ThinkSmart Ltd. Mr Hackett is currently Chairman of WA State Government peak cycling organisation West Cycle Inc and company secretary of industrial footwear manufacturer Steel Blue Pty Ltd.

APPENDIX 2 – HAVOC PARTNERS

In May 2017 the five founding partners of Havoc Partners LLP (Havoc) all joined the management team of the Company. Alan Stein and Jonathan Taylor joined the Board as Managing Director and Technical Director respectively and the three remaining partners; Richard Higgins, Justin Norris and Mark Sofield fulfil technical and commercial management functions.

Havoc is a natural resources investment company focused on oil and gas, precious- and base-metals and strategic noble gases. The five founding partners of Havoc are geoscientists who have worked together for more than 16 years and collectively have more than 100 years of international upstream experience. Havoc was established to provide a platform to deploy the expertise and relationships of the partners in making direct and indirect investments in the natural resources sector with an emphasis on oil and gas.

The partners were the founders of AIM listed Fusion Oil & Gas plc which made several discoveries offshore Mauritania and then were the founders of Ophir Energy plc which made discoveries offshore Equatorial Guinea and Tanzania. When it listed on the LSE in 2011 Ophir was the biggest ever E&P IPO in London at the time and was the most successful float of the year.

The Havoc team took Ophir from a small exploration focused African player to a c. £1.9 Bn FTSE 250 company with contingent resources in excess of 1 bn bbls; one of the most successful growth stories of the African E&P players.

www.havocpartners.com



UK AIM listed

Mauritania

Chinguetti, Banda and Tevet.



UK LSE listed

Equatorial Guinea

Fortuna, Silenus, Viscata, Tonel and Lykos.

Tanzania

Jodari, Mzia, Pweza, Taachui, Kamba, Mziki, Chewa, Papa and Chaza.

APPENDIX 3 - CALIMA LANDS FARMIN

Stage	Cumulative Contributions	WI Earned (cumulative)	Latest Date
1	C\$5 M	20% (20%)	01 Aug 2018
2	C\$12 M	17.5% (37.5%)	28 Feb 2019
3	C\$25 M	17.5 % (55%)	28 Feb 2020

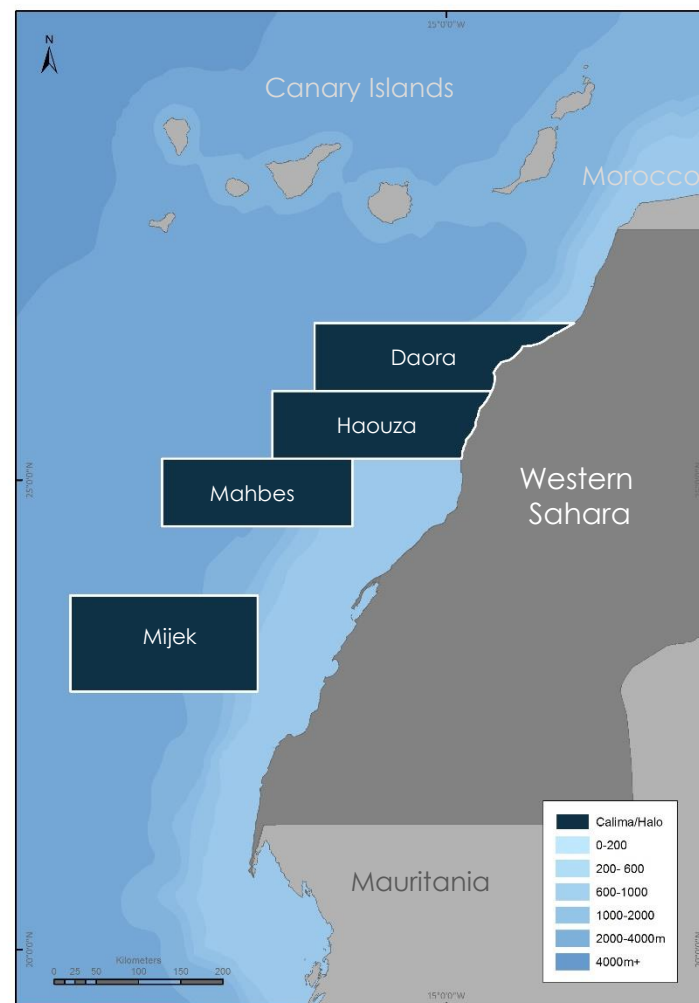
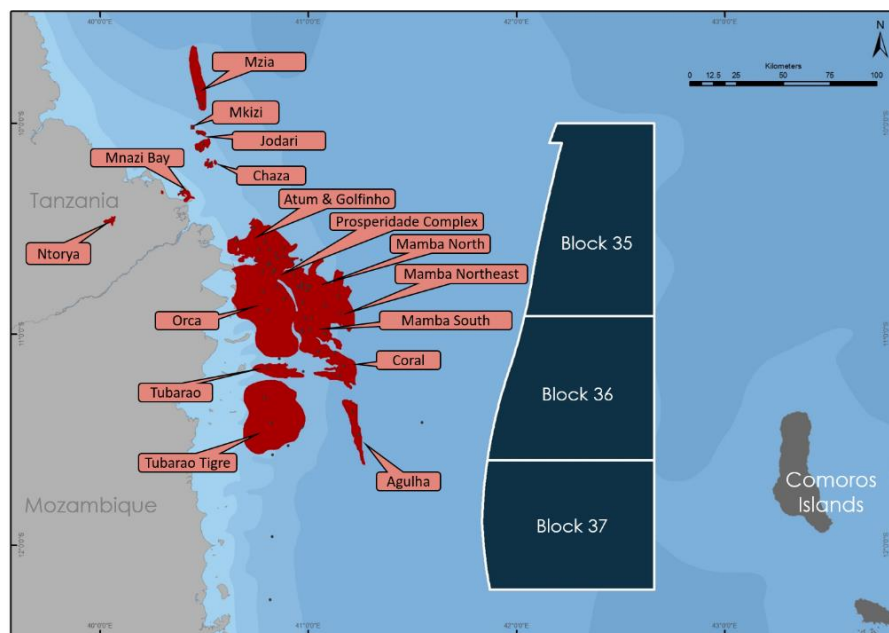
Stage	Activities
1	Acreage acquisition, 3D seismic, Drill planning
2	Drill and complete one x 2,000 m Hz well
3	Drill and complete two x 2,000 m Hz wells

- In 2014 Havoc invested c\$1m into the Montney project.
- In 2016 Havoc determined to acquire a controlling interest in the project via a farmin transaction using Calima as the vehicle.
- Calima has subsequently completed a three phase farmin with TSV-Montney Ltd and TMK-Montney Ltd (TSV/TMK) to acquire up to 55% of the Calima Lands.
- Calima also owns 11.2% of the issued share capital of TMK, resulting in a fully diluted economic interest of 57%.
- C\$10.5 million invested in the Calima Lands by TSV/TMK.
- C\$5.2 million invested by Calima to complete Phase 1 of the farmin transaction.

Havoc Partners has been invested in the Montney project since 2014.

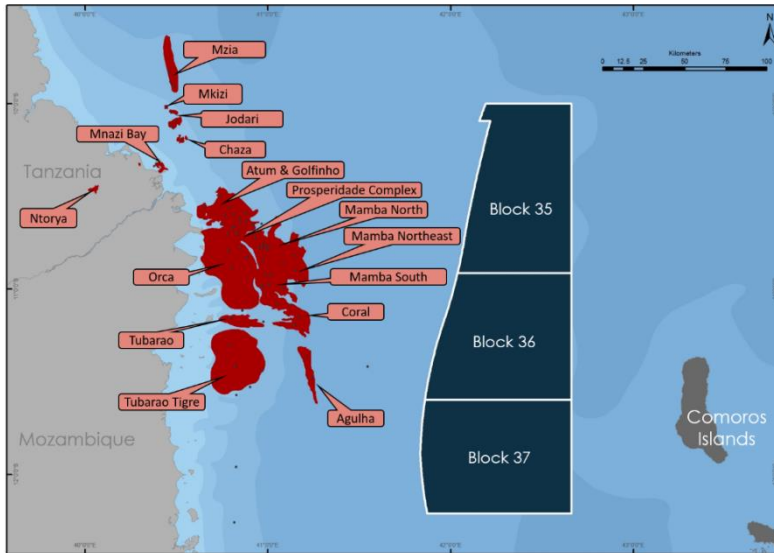
APPENDIX 4 – PORTFOLIO ASSETS

- As part of the transaction announced on May 1st 2017 Calima acquired certain other assets from Havoc Partners LLP.
- Bahari Holding Company Limited (10% shareholding) – Bahari has exploration interests offshore Comoros in East Africa.
- Western Sahara (50% interest in 4 PSCs) – Calima has interests in 4 PSCs subject to resolution of a sovereignty dispute.
- These are passive investments which do not currently require any capital investment from Calima.

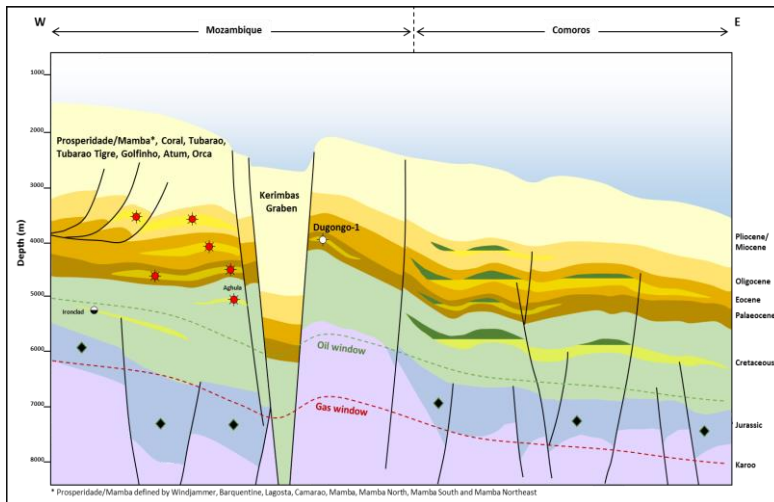


For further information regarding either asset please refer to Appendix 2 of the Corporate Presentation dated April 2017 which is available from www.calimaenergy.com

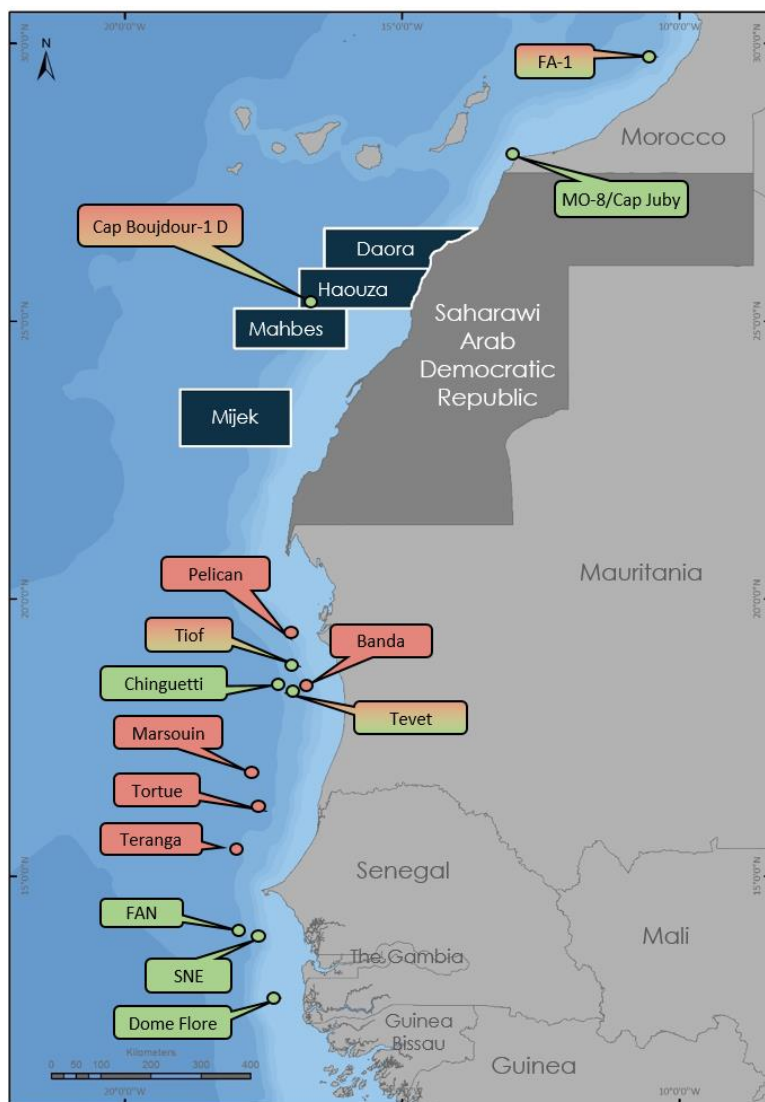
APPENDIX 4 CONTD. – COMOROS, EAST AFRICA



- Calima owns 10% of the issued share capital of Bahari Holding Company Limited (Bahari), a private Guernsey registered company that owns 40% of three production sharing contracts (PSCs) in the offshore territory of the Union of the Comoros.
- The PSCs lie immediately adjacent to the border with Mozambique and a short distance from the giant gas discoveries made by Eni and Anadarko, who have discovered more than 175 Tcf of natural gas.
- Ground breaking research by Bahari has demonstrated that the petroleum system in the Comoros is identical to that in Mozambique, however, the primary source rocks have been less deeply buried and are considered to be prospective for oil rather than gas.
- Tar strandings recovered by Bahari from beaches in the Comoros have been sourced from the same Lower Jurassic oil-prone source rocks that have been proven in Tanzania and elsewhere in East Africa.
- The Calima management team were involved in the first offshore gas discoveries in Tanzania and have extensive experience in East Africa.
- East Africa is probably the largest new offshore hydrocarbon province of the 21st Century.



APPENDIX 4 CONTD. – WESTERN SAHARA, WEST AFRICA



- Calima owns 50% of four offshore Production Sharing Contracts (PSCs) awarded by the Saharawi Arab Democratic Republic (SADR), which is more commonly known as Western Sahara.
- The rights to the PSCs are held via Assurance Agreements which convert automatically into PSCs once the UN recognises the SADR as a sovereign state.
- At present a significant part of the SADR, including the offshore, is occupied by Morocco and until such time as there is a resolution to the sovereignty dispute, Calima cannot undertake exploration activity.
- Recent exploration success in Senegal and Mauritania has resulted in increased industry interest in Northwest Africa as evidenced by recent transactions by BP, Woodside and CNOOC, who have all acquired acreage positions.
- The Calima management team were involved in the first offshore oil discoveries in Mauritania and have extensive experience along the Northwest African margin.
- Northwest Africa is probably the second largest new offshore hydrocarbon province of the 21st Century after East Africa.